

Jan 24 2011

What Tunisia tells us about Western conceptions of “corruption”

LSE Ideas

By Hannes Baumann

Prior to the fall of President Zine al-Abidine Ben Ali, Tunisian economic management received gushing reviews. The IMF and World Bank praised Ben Ali's liberalising policies since 1987. The economy, manufacturing, and living standards all grew faster than in other non-oil Arab states. Tunisia's “competent leadership” and its low level of corruption were seen as major causes of success. Transparency International's “corruption perception index” listed Tunisia as the least corrupt Arab country until 2003, when it was “overtaken” by the Gulf States. The “Ibrahim index of African governance” ranked Tunisia 8th in Africa in 2010, ahead of all other North African Arab states. One political scientist found that a “developmentalist ethos” prevented corruption among the country's leadership. She considered Tunisia akin to “developmental states” such as South Korea and Taiwan, in which a small and competent bureaucracy, “insulated” from societal forces, could forge ahead developmentalism.

The “Jasmin Revolution” however has shattered Ben Ali's clean image. The president and the Trabelsi clan of his wife Leila had enriched themselves on the back of the country's business success. Pictures of the looted villas of Ben Ali and the Trabelsis went around the world.

Corruption in Tunisia and elsewhere requires a political explanation which goes beyond technical considerations of “institutional design” and “insulation”. Ben Ali's corruption was an integral part of the “autocratic upgrading” which had been sanctioned by the West.

In the 1950s and 1960s the new nationalist and military regimes of Egypt, Syria, Iraq, Algeria, and Tunisia embraced state-led development. They built populist coalitions based on workers, an agricultural middle class, and an expanding civil service. However, Tunisia was the first Arab republic to tone down the role of the state and embrace “infitah” (opening) in 1969. Market reforms picked up speed after Ben Ali took power in 1987. In 1995, Tunisia was the first Arab state to sign an association agreement with the European Union. Tunisia was integrated into the circuits of European capitalism. European and Tunisian investors found opportunities in light manufacturing and services, especially tourism producing for the EU market.

Neoliberal opening put a strain on “populist authoritarianism”. The restructuring of state-society relations became part of the “autocratic upgrading” of Arab regimes – the efforts to reconcile outside pressures for market liberalisation with regime maintenance. Social coalitions had to be reconstituted: workers, civil servants, and peasants were hit by the reduction in state employment, privatisation, and the marketisation of land. The Tunisian state variously suppressed and co-opted the popular sector, for instance in a brutal crack-down of trade union protests in 1978. Meanwhile, “new entrepreneurs” seized the opportunities opened up by market liberalisation. But this new bourgeoisie did not emerge out of nowhere. Stephen Heydemann has referred to them as “networks of privilege” close to the state elite, which used neoliberal reforms to branch out into business. This new business elite was to play a highly visible role in the regime. Connections either to the President, the Trabelsi clan, or to other members of the core elite were indispensable for success in the rapidly developing export-oriented sector of the economy. By closely linking the new business elite to the regime, any inclination for dissent by the “captains of industry” was nipped in the bud. Meanwhile, small and medium-sized businesses remained cut off from the European market and faced increasing foreign competition.

The neglect of the majority of the economy created the unemployment crisis, which drove Mohamed Bouazizi to commit the dramatic act of self-immolation, which started off the wave of protests in December. Prior to these protests, other Arab dictators regarded Ben Ali's “autocratic upgrading” as a model. As one unnamed Syrian political analyst told Stephen Heydemann in 2006, “Tunisia is our model. Just look at them! They are much more repressive than we are, yet the West loves them. We need to figure out how they do it”. Tunisia's crackdown on Islamists and its ideological and geographic distance from the thorny Arab-Israeli issue also helped gain Western approval for the Ben Ali regime.

While NGOs and some academics were praising Tunisia's lack of corruption, investors and diplomats knew that the new business elite was built around Ben Ali cronies. US diplomatic cables published on Wikileaks reveal that the US embassy was very well aware of the business deals and the extortion of the Trabelsi clan. These practices eventually also affected “corruption perceptions”. Tunisia's ranking in the Transparency International index fell from 31st position in 2001 to 59th in 2010. And yet it would be a fallacy to claim that the Ben Alis and Trabelsis had simply become “too greedy” in the last few years: The practice of creating a loyal business elite was an integral part of autocratic upgrading. “Corruption” did not only start in the last few years, it lay at the centre of the neoliberal restructuring of Tunisian capitalism.

Hannes Baumann is a PhD candidate at the School of Oriental and African Studies (SOAS).

Shifting Sands is the blog of the Middle East International Affairs Programme at LSE IDEAS, analysing current events in the Middle East and contributing to the ongoing deliberations over policy prescriptions.

Silvia L. Peneva, Editor

This entry was posted in [Middle East](#). Bookmark the [permalink](#).